

**Social Services Estimating Conference
Florida KidCare Program
February 20 and March 6, 2017
Executive Summary**

The Social Services Estimating Conference convened on February 20 and March 6, 2017 to adopt caseload and expenditure forecasts for the KidCare Program through June 2021.

The annual caseload projections for each of the major subsidized areas in the KidCare Program are lower than the November estimates. The decreases result from lower recent actual than projected enrollment for the Healthy Kids Title XXI, MediKids Title XXI, and CMS programs. The programs continue to monitor enrollment changes resulting from the recent legislation that allowed lawfully residing immigrant children to enroll in KidCare beginning July 1, 2016. Prior to this, non-citizen children living in Florida were subject to a five-year waiting period before enrolling in the program. It appears that at least part of the caseload reduction was a smaller effect from this legislation than originally anticipated.

In the Healthy Kids Full Pay program, the Stars Plus (platinum level) plans, which had higher premiums but more substantial coverage than the Stars (silver level) plans, were phased out on December 31, 2016. Families who were enrolled in Stars Plus plans were notified in early July 2016 that those plans would terminate on December 31. In December, in anticipation of the termination of these plans, the Conference forecasted a substantial decrease in enrollment in January 2017. It was expected that only a subset of the families would transition into Stars plans. However, actual enrollment in January and February 2017 did not decline significantly from previous months. The Conference held the current forecast at the level of the most recent enrollment figures but continues to monitor the impact of the plan phase out and the potential for attrition of families from the program.

For Fiscal Year 2016-17, the General Revenue deficit is projected to be \$0.9 million, a decrease in the deficit projected in December. For Fiscal Year 2017-18, the General Revenue shortfall from the recurring appropriation is projected to be \$0.7 million.

The Children's Health Insurance Program (CHIP) is currently authorized under federal law through September 30, 2019. The new forecast assumes that the program will be reauthorized prior to this date and continue throughout the remainder of the forecast. However, federal funding for the program is currently authorized only through September 30, 2017. If this funding is not reauthorized, federal funds will not be sufficient to support the federal share of the program costs through SFY 2017-18 (see "Special Notes" on page 2). Even if funding is reauthorized, federal funds will not be sufficient to support the federal share of the program costs through SFY 2018-19 if federal funding is maintained at the level of the FFY 2017 grant award, which was \$686.6 million.

Beginning with the July 2016 Conference, the Medicaid Children under 1 and Children ages 6-18 funded under Title XXI are both shown as part of the Medicaid Expenditures Conference.

The table on page 3 provides the new caseload projections for the current and upcoming fiscal years. The subsequent table provides the new expenditure forecast for FY 2016-17 through FY 2020-21.

Special Notes

Currently allotted Federal funds are not sufficient to support the federal share of the program costs through SFY 2017-18, but unspent FFY 2016 CHIP allotments may be redistributed to shortfall states in FFY 2018 if any such funds are available.

If federal CHIP funding expires after FFY 2017, the loss of funding and the Affordable Care Act (ACA) Maintenance of Effort (MOE) requirements would impact Florida's CHIP enrollees differently depending on whether they are **CHIP Medicaid Expansion Program** or **Separate CHIP Program enrollees**.

Eligibility Levels for CHIP in Florida as of January 1, 2017			
	Ages 0-1	Ages 1-5	Ages 6-18
CHIP Medicaid Expansion	192-211% FPL	N/A	112-138% FPL
Separate CHIP Program	N/A	145-215% FPL	139-215% FPL

Note: January 2017 income limits reflect Modified Adjusted Gross Income (MAGI)-converted income standards and include a disregard equal to five percentage points of the federal poverty level (FPL) applied at the highest income level for Medicaid and separate CHIP coverage.

For the **CHIP Medicaid Expansion Program**, there is an ACA MOE requirement that requires states to maintain income eligibility levels for CHIP children through September 30, 2019 as a condition for receiving any Medicaid funding (notwithstanding the lack of corresponding federal CHIP appropriations for FFY 2018 and FFY 2019). This switch would cause the federal share of expenditures for these enrollees to decrease from the Enhanced FMAP rate to the regular FMAP rate, which means the cost of covering these children would increase for the state.

Additionally, the ACA requires all states to have a process for screening children in the **Separate CHIP Program** for Medicaid eligibility if federal CHIP funding expires. Those that are ineligible for Medicaid must then be enrolled in a certified qualified health plan – a marketplace plan that has been certified by the Secretary of Health and Human Services (HHS) to be “at least comparable” to CHIP in terms of benefits and cost sharing. In a review released November 25, 2015, the HHS Secretary was not able to certify any qualified health plans as comparable to CHIP coverage because out-of-pocket costs were higher under the qualified health plans and the CHIP benefits were generally more comprehensive for child-specific services (e.g., dental, vision, and habilitation services). Under the ACA MOE requirements, states are required only to establish procedures to enroll children in qualified health plans certified by the Secretary. If there are no certified plans, the MOE requirement does not obligate states to provide coverage to these children. Even when there are certified plans, not all CHIP children may be eligible for subsidized exchange coverage due to the “family glitch,” among other reasons.

Sources:

“Federal Financing for the State Children’s Health Insurance Program (CHIP),” Congressional Research Service, September 19, 2016, <https://fas.org/sgp/crs/misc/R43949.pdf>.

“Medicaid and CHIP Income Eligibility Limits for Children as a Percent of the Federal Poverty Level, as of January 1, 2017,” KFF State Health Facts, <http://kff.org/health-reform/state-indicator/medicaid-and-chip-income-eligibility-limits-for-children-as-a-percent-of-the-federal-poverty-level>.

KIDCARE AVERAGE MONTHLY ENROLLMENT PROJECTIONS

FLORIDA HEALTHY KIDS*	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
December 2016 SSEC	169,303	179,190	189,602	200,657	212,393
March 2017 SSEC	168,141	177,127	187,029	197,542	208,703
Change	(1,162)	(2,063)	(2,573)	(3,115)	(3,690)

MEDIKIDS**	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
December 2016 SSEC	30,600	32,778	34,348	36,015	37,784
March 2017 SSEC	30,129	32,571	34,179	35,291	36,059
Change	(471)	(207)	(169)	(724)	(1,725)

CHILDREN'S MEDICAL SERVICES	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
December 2016 SSEC	9,447	9,702	9,702	9,702	9,702
March 2017 SSEC	9,288	9,456	9,456	9,456	9,456
Change	(159)	(246)	(246)	(246)	(246)

BEHAVIORAL HEALTH	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
December 2016 SSEC	502	520	520	520	520
March 2017 SSEC	479	507	507	507	507
Change	(23)	(13)	(13)	(13)	(13)

TOTALS	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
December 2016 SSEC	209,852	222,190	234,172	246,893	260,399
March 2017 SSEC	208,038	219,661	231,172	242,796	254,725
Change	(1,814)	(2,529)	(3,000)	(4,097)	(5,674)

*Averages include Healthy Kids Full Pay enrollment

**Averages include MediKids Full Pay enrollment

FISCAL YEAR 2016-17	FY 2016-17 Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$17,183,067	(\$896,414)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$16,585,465	(\$430,470)
Medical Care Trust Fund (Federal)	\$362,323,583	\$381,675,794	(\$19,352,211)
Total	\$394,765,231	\$415,444,326	(\$20,679,095)

FISCAL YEAR 2017-18	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$16,998,937	(\$712,284)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$17,745,350	(\$1,590,355)
Medical Care Trust Fund (Federal)	\$362,323,583	\$422,722,123	(\$60,398,540)
Total	\$394,765,231	\$457,466,410	(\$62,701,179)

FISCAL YEAR 2018-19	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$18,594,526	(\$2,307,873)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$18,349,005	(\$2,194,010)
Medical Care Trust Fund (Federal)	\$362,323,583	\$463,580,736	(\$101,257,153)
Total	\$394,765,231	\$500,524,267	(\$105,759,036)

FISCAL YEAR 2019-20	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$112,372,053	(\$96,085,400)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$18,929,778	(\$2,774,783)
Medical Care Trust Fund (Federal)	\$362,323,583	\$414,725,844	(\$52,402,261)
Total	\$394,765,231	\$546,027,675	(\$151,262,444)

FISCAL YEAR 2021-21	FY 2016-17 Recurring Appropriations	Projected Expenditures	Surplus/(Deficit)
General Revenue	\$16,286,653	\$153,551,181	(\$137,264,528)
Tobacco Settlement Trust Fund (State)	\$0	\$0	\$0
Grants and Donations Trust Fund (State)	\$16,154,995	\$19,499,287	(\$3,344,292)
Medical Care Trust Fund (Federal)	\$362,323,583	\$422,295,367	(\$59,971,784)
Total	\$394,765,231	\$595,345,836	(\$200,580,605)